

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

IN THE MARION CIRCUIT COURT

CAUSE NO. _____

STEVE CARTER,
INDIANA ATTORNEY GENERAL,

Petitioner,

v.

Ronald N. Bailey, individually and doing
business as Real Screening and doing business
as Real Screening LLC,

Respondent.

490010205M10021070

FILED

46

MAY 22 2007

Elizabeth J. White
CLERK OF THE MARION CIRCUIT COURT

PETITION TO ENFORCE CIVIL INVESTIGATIVE DEMAND

Attorney General Steve Carter, by Deputy Attorney General Matt Light, petitions the Court, pursuant to Indiana Code § 4-6-3-6, for an order to enforce a Civil Investigative Demand.

RESPONDENT

1. The Respondent, Ronald N. Bailey, individually and doing business as Real Screening and doing business as Real Screening LLC, is an Indiana resident and solicits individuals and businesses throughout the State of Indiana to purchase credit reports regarding other individuals, including tenant screening reports.

FACTS

2. At least since June 14, 2006, the Respondent has engaged in the solicitation and sale of consumer credit reports and tenant screening reports and qualifies as a consumer reporting agency under the Fair Credit Reporting Act, 15 U.S.C. 1681a(f).

3. Due to information provided in a consumer complaint, the Attorney General has reason to believe the Respondent may be in possession, custody, or control of documentary material, and may have knowledge of facts that are relevant to an investigation being conducted to determine whether the Respondent has violated 15 U.S.C. 1681, for which the Attorney General can bring an action to obtain injunctions and/or damages for consumers in instances of negligent or willful violation of the Act.

4. Pursuant to Ind. Code § 4-6-3-3, the Attorney General served Civil Investigative Demand 06-067 ("CID") upon the Respondent by first-class mail on December 29, 2006. Attached and incorporated by reference as Exhibit "A" is a true and accurate copy of the CID served upon the Respondent.

5. The Respondent has failed to respond to the CID, and his refusal to do so is in bad faith.

6. Pursuant to Ind. Code § 4-6-3-6, if a person objects or fails to obey a Civil Investigative Demand, the Attorney General may file an application for an order to enforce the Demand in a Circuit or Superior Court in the County in which the Respondent resides, or maintains a principal place of business within the state.

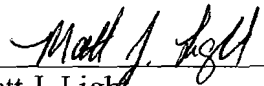
RELIEF

WHEREFORE, the Attorney General, requests the Court set this petition for hearing and following such hearing, enter an order requiring the Respondent to answer the Civil Investigative Demand, to pay the Office of the Attorney General its reasonable costs of investigation including attorneys' fees, and all other proper relief.

Respectfully submitted,

STEVE CARTER
Indiana Attorney General
Attorney No. 4150-64

By:


Matt J. Light
Deputy Attorney General
Atty. No. 25680-53

Indiana Office of the Attorney General
302 West Washington Street, 5th Floor
Indianapolis, IN 46204-2794
Telephone: (317) 232-4774

377272

**OFFICE OF THE INDIANA ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION**

IN RE:

Ronald N. Bailey, individually and doing
business as Real Screening and doing business
as Real Screening LLC,

Respondent.

CIVIL INVESTIGATIVE
DEMAND NO. 06-067

THE ATTORNEY GENERAL TO:

**Ronald L. Bailey
Real Screening
P.O. Box 20404
Indianapolis, IN 46220**

CIVIL INVESTIGATIVE DEMAND

Attorney General Steve Carter, pursuant to the provisions of Indiana Code § 4-6-3-1 *et seq.*, states that he has reasonable cause to believe that you may be in possession, custody, or control of documentary material, or may have knowledge of a fact that is relevant to an investigation being conducted by the Consumer Protection Division. This investigation seeks to determine whether Respondent has violated:

- 1) The Fair Credit Reporting Act, 15 U.S.C. 1681 *et seq.*, by negligently or willfully failing to verify that a third party had a permissible purpose for obtaining a tenant screening report concerning an individual.
- 2) Indiana's Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, by representing that the subject of a consumer transaction has sponsorship, approval, performance, characteristics, accessories, uses, or benefits it does not have which the Respondent knows or should reasonably know it does not have.

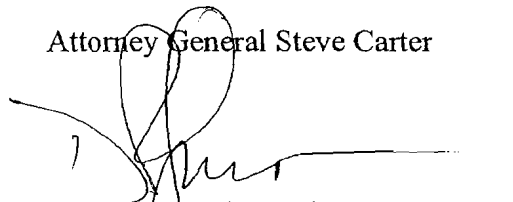
The Attorney General demands that you, your representative, or your agent respond to this Civil Investigative Demand by providing answers and documents to the attached Interrogatories and Requests for Production of Documents.

You are to respond in writing to the interrogatories and requests for production propounded herein by January 19, 2007, or by such date as may be agreed upon. You may direct your response, as well as any questions regarding this Civil Investigative Demand, to Deputy Attorney General Matt Light at:

Office of the Attorney General, Consumer Protection Division
302 West Washington Street
Indiana Government Center South, 5th Floor
Indianapolis, Indiana 46204
Tel.: (317) 232-4774
Fax: (317) 233-4393

WITNESS my hand and seal of the Office of the Attorney General, State of Indiana, this 29th day of December, 2006.

Attorney General Steve Carter



by: David A. Raetzmann
Deputy Attorney General
Attorney number 6392-23

Office of the Attorney General
302 West Washington Street
Indiana Government Center South, 5th Floor
Indianapolis, IN 46204

I. INSTRUCTIONS

A. Answer each interrogatory separately and fully in writing and under oath. In answering the interrogatories, furnish all information available to you, regardless of how that information was obtained, and regardless of whether such information may be hearsay. Include information known by, or in the possession of, you; information known by, or in the possession of, your agents, employees, managers, members, officers, owners, or attorneys; and information appearing in your records.

B. If you cannot answer the following interrogatories fully and completely after exercising due diligence to secure all requested information, then answer each to the extent possible, specifying your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion, and detailing your attempts to secure the unknown information.

C. A question that seeks information contained in or about any document, or that seeks the identification of any document, may be answered by furnishing a copy of such document.

D. The reply to each interrogatory should include attachments of as many pages as necessary to fully and completely respond, and should be identified by the number corresponding to each interrogatory as set forth below.

E. These interrogatories and requests for production shall be as broadly construed as possible to include all documents that may conceivably fall within their scope. Whenever appropriate, the singular form of a word shall be interpreted in the plural, and the plural in the singular. The terms "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of these requests any documents which might otherwise be

construed to be outside their scope. The masculine gender form shall be construed to include the feminine.

F. If your response to any request for production is that the documents requested are not in your possession or custody, describe in detail the unsuccessful efforts you made to locate the records. If your response is that the requested documents are not in your control, identify who has control and the location of the records. If a request for production seeks a specific document or an itemized category which is not in your possession, custody, or control, provide any documents you have that contain all or part of the information contained in the requested document or category. Identify the source of each of the documents produced.

G. The time period relevant to all interrogatories and requests for production propounded in this Civil Investigative Demand is the period from January 1, 2006 to the present, unless otherwise specified.

II. DEFINITIONS

As used in these Interrogatories and Requests for Production, the following terms have the following meanings, unless otherwise defined by a specific interrogatory or request for production:

A. "Document" includes any written, printed, typed, or other graphic or photographic representation or reproduction of any nature, any electronic representation or communication, and any audio or video recording in your possession, custody, or control, or known by you to exist or to have existed. All copies of documents containing any alterations or annotations, or that differ in any other way from the originals or copies referred to in the preceding sentence, are deemed separate from the originals or copies, and should be included in any response.

B. "Identify", used in reference to a person, means to state:

1. the person's name;
2. the person's address;
3. the person's telephone number; and
4. all other information you possess or possessed identifying the person.

C. "Person" includes any individual, corporation, partnership, group, association, government entity, or any other legal entity.

D. "You" means **Ronald Bailey, Real Screening, and/or Real Screening LLC** as well as their affiliates, agents, employees, managers, members, officers, owners, parents, and subsidiaries.

INTERROGATORIES

1. Identify the person(s) who prepared the responses to these interrogatories and requests for production of documents, including the person(s)' title and/or relation to Respondent.

ANSWER:

2. Explain generally the contents of the tenant screening reports that you produce and sell to customers.

ANSWER:

3. State the date on which an account under the name "Blue Lakes Inc." was created with your company.

ANSWER:

4. State the manner in which the Blue Lakes Inc. account was created (i.e. through your web site, by mail, by phone, etc.).

ANSWER:

5. Identify the steps, if any, you took to verify the legitimacy of Blue Lakes Inc. as a Florida real estate company and to verify the identity of the person who created the Blue Lakes Inc. account.

ANSWER:

6. State the number of tenant screening reports ordered from you through the Blue Lakes Inc. account and list the name of each individual who was the subject of a report order.

ANSWER:

7. Identify the steps you took to verify that Blue Lakes Inc. has a permissible purpose under the Fair Credit Reporting Act to obtain tenant screening reports regarding the individuals listed in your response to Interrogatory Number Six (6).

ANSWER:

8. Explain the method you use for verifying that a credit card number listed on a new account application actually belongs to the individual and/or business that created the account.

ANSWER:

9. State whether you obtained any information from other consumer reporting agencies to produce a tenant screening report regarding Carlos Silva of Valrico, Florida. If your answer to this Interrogatory is "Yes," state generally the purpose you communicated to the agencies for obtaining the information.

ANSWER:

10. State the actions you took once you learned that the Blue Lakes Inc. account had been fraudulently created, including but not limited to any attempts to notify potentially affected persons.

ANSWER:

11. State any other fraud prevention policies or procedures used by your company to protect the privacy and integrity of reports you produce and sell.

ANSWER:

I affirm, under the penalties for perjury, that the above representations are true to the best of my knowledge and belief.

Ronald L. Bailey, individually and doing business as Real Screening and doing business as Real Screening LLC

Printed Name: _____

Signature: _____

Title: _____

Date: _____

REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS

1. Produce copies of all documents and/or electronic files submitted in connection with the creation of the Blue Lakes Inc. account with your company.
2. Produce copies of all documents and/or electronic files that you received in connection with the request for a tenant screening report on Carlos Silva of Valrico, Florida.
3. Produce copies of all documents and/or electronic files that reflect your efforts to verify the identity of Blue Lakes Inc. and the identity of the person who created the Blue Lakes Inc. account.
4. Produce copies of all documents and/or electronic files that reflect your efforts to verify the permissible purpose under the Fair Credit Reporting Act of the person who requested a tenant screening report on Carlos Silva of Valrico, Florida.
5. Produce copies of any employee directives, instructional memos, and other documents that relate to your company's efforts to verify permissible purposes for obtaining consumer reports or to verify identities of your customers.
6. Produce copies of any documents or electronic files that you sent to or received from other consumer reporting agencies concerning Carlos Silva of Valrico, Florida.

7. Produce copies of any correspondence you sent to potentially affected persons after discovering that the Blue Lakes Inc. account had been fraudulently created.

8. Produce all documents identified in your answers to the State's Interrogatories.

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STATE OF INDIANA
ATTORNEY GENERAL
STEVE CARTER

December 29, 2006

Ronald N. Bailey
Real Screening
5560 North Tacoma Avenue
Indianapolis, IN 46220

RE: **Civil Investigative Demand 06-067**

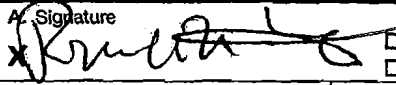
Dear Mr. Bailey:

The Office of Attorney General Consumer Protection Division is conducting an investigation to determine if you or your company, Real Screening, have committed violations of the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*, or the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.* Enclosed please find Civil Investigative Demand ("CID") 06-067. Please provide your response to the CID on or before **Friday, January 19, 2006**.

You may mail your response to 302 W. Washington Street, 5th Floor, Indianapolis, Indiana 46204 or you may fax it to (317) 233-4393. If you have any questions you may contact me at (317) 232-4774 or at matt.light@atg.in.gov. Thank you in advance for your cooperation.

Sincerely,


Matt Light
Deputy Attorney General
Consumer Protection Division

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>Article Addressed to: Ronald N. Bailey Real Screening 5560 North Tacoma Ave. Indianapolis, IN 46220</p>		<p>B. Received by (Printed Name) C. Date of Delivery 1-5-07</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>Article Number (Transfer from service label) 7003 3110 0004 5101 5045</p>		<p>ON FLOOR 46204-2770</p>	